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Trade Policy Monitoring

EU Cauliflower Aid Scheme Blocked 2004

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Report Highlights:

On October 13, 2004, the European Commission published a new price support scheme for EU cauliflower producers. EU producers would receive EUR 50 per MT of cauliflowers delivered for processing when price levels drop below a certain threshold. The regulation was annulled the next day because the proposal had in fact been blocked by the EU Budget Commissioner.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E3]

EU Cauliflower Aid Scheme Blocked

On October 13, 2004, the European Commission “erroneously” published a regulation establishing a new price support scheme for EU cauliflower producers (Official Journal L 314). Under this scheme, EU producers would receive EUR 50 per MT of cauliflowers delivered for processing when price levels drop below a threshold set at 80% of the average price level of the previous five years. The regulation was annulled the next day (published as a corrigendum in Official Journal L 315) because the proposal had in fact been blocked by the EU Budget Commissioner.

The original proposal, a response to pressure from France experiencing problems on its domestic market, was put to a vote at the September 14 Fresh Fruit and Vegetables Management Committee. It was supported by 7 member states only (France, Ireland, Poland, Hungary, Estonia, Slovakia and Slovenia) which means that there was no qualified majority in favor nor against the proposal in which case the proposal is passed to the Commission for approval. Under the so-called “written procedure”, proposals need the approval of every Commission Directorate General with a direct interest in the matter. With the Budget Commissioner blocking the approval, the proposal was placed on the agenda of the Commission College meeting where 16 Commissioners voted against.

The blocking of the cauliflower scheme could be significant as it is very unusual for a proposal to be blocked at the Commission College meeting itself and because of the argumentation used by the Commissioners to vote against the proposal. They claimed that it would set an unfortunate precedent to provide additional funds to the CAP and thus contradict the objectives (greater market orientation) of the CAP reform. According to the media, one official even suggested that the vote was a clear signal against any form of additional support for agriculture in the coming five years.

The referenced Official Journals can be downloaded from the Internet at <http://europa.eu.int/eur-lex/en/oj/index.html>.

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Report Number	Title	Date Released
E34065	EU Fruit & Vegetable Market – Commission Working Document	9/27/2004
E34048	European Commission tables report on simplification for fruit and vegetable market	8/17/2004
E23064	Overview of EU F&V subsidy programs	5/2/2003
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